

HHS Privacy Impact Assessment (PIA) Summary Sheet for

The Medicare Claims Processing Systems (Fee for Service Payment Systems)

Date of this Submission 11/18/2003

HHS Agency: CMS

Title of System or Information Collection:

Medicare Claims Processing Systems (Fee for Service Payment Systems)

Is this System or Information Collection new or is an existing one being modified?

Medicare Fee for Service Claims Processing family of systems are existing systems modified on a quarterly basis. System modifications are required due to congressional mandates, policy and regulatory changes in addition to system maintenance and users change requests.

Identifying Numbers (Use N/A, where appropriate)

Unique Project Identifier Number: N/A

System of Records Number: 09-70-0539, 09-70-0526, 09-70-0005, 09-70-0505, 09-70-0537.

OMB Information Collection Approval Number and Expiration Date: N/A

Other Identifying Number(s): N/A

Description

1. Provide an A) overview of the system or collection and B) indicate the legislation authorizing this activity.

Response:

1A) Collectively these systems are included in a Family of Systems and are referred to as the 'Shared Systems'. Note: the HPBSS system was retired in August 2003.

Part A Standard System

Hospital insurance (Part A of the Program) process through the Fiscal Intermediaries Standard System (FISS) perform claims processing and benefit payment functions for institutional providers under Parts A and B of the program; carriers perform the same functions for physicians and other practitioners under Part B of the program. These Medicare contractors are known as "fiscal intermediaries" (FIs) and "carriers". There are 27 FIs and 19 Carriers per the CMS August 2003 Medicare Fee-for-Service Briefing Book.

Part B Standard System

The Part B Standard System supports the processing of Medicare Part B claims. The selected Standard System for Part B Medicare is the Multi Carrier System (MCS). Medicare Part B is supplemental medical insurance, which covers physician services and other outpatient services.

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The Medicare Carriers, including the Railroad Retirement Board, process physician and supplier claims provided under Medicare Part B coverage.

Durable Medical Equipment Regional Contractor (DMERC) Standard System

CMS has designated four carriers to have exclusive responsibility for handling Medicare Part B claims for Durable Medicare Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) claims in specified geographic regions of the United States. They are commonly referred to as the “Durable Medical Equipment Regional Carriers (DMERCs).” The selected DMERCs currently use the VIPS DME Standard System.

Common Working File (CWF)

Medicare’s CWF software is a pre-payment validation and authorization claims processing system for Medicare Part A, Part B, and DMEPOS claims. There are currently nine CWF sector sites that maintain a distributed database of beneficiary master records. These sites are known as CWF host sites.

1B) Congress established the Program in 1965 when it enacted Title XVIII of the Social Security Act. The Medicare Program is a Federal health insurance program and now serves over 40 million beneficiaries and processes over 900 million claims per year. To ensure a quick and smooth implementation of the Medicare program in 1965, Congress adopted an administrative structure, which was compatible with the historical pattern of administration used by the private health insurance industry. This allowed the Federal Government to contract with existing public or private organizations to facilitate services to beneficiaries and providers of health care services. It also allowed many systems to be developed for Medicare claims processing.

Traditional Fee-For-Service (FFS) coverage in the Medicare Program consists of two distinct parts. Hospital insurance (Part A of the Program) covers expenses for medical services furnished in institutional settings, such as hospitals or skilled nursing facilities, or services provided by a home health agency or hospice. Supplemental medical insurance (Part B of the Program) covers physician and other practitioner services; certain durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) services; and other outpatient services.

2. A) Describe the information the agency will collect and B) how the agency will use the collected information. C) Explain how the data collected are the minimum necessary to accomplish the purpose for this effort.

Response:

2A) Describe information collected

Please see hyperlinks to CMS forms below.

2B) Use of information collected

This information is used to process claims and payments for the Medicare Program beneficiaries.

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2C) Collection requirements

The Agency, through Medicare contractors and beneficiaries collects information through CMS forms CMS-1450 and CMS-1500. These are OMB approved forms.

Information is collected primarily through electronic means.

Form CMS-1450 (UB-92):

The UB-92 form and instructions are used by institutional and other selected providers to complete a Medicare Part A paper claim for submission to Medicare Fiscal Intermediaries. The paper UB-92 (Form CMS-1450) is neither a government printed form nor distributed by the CMS. The National Uniform Billing Committee (NUBC) is responsible for the design of the form (<http://www.nubc.org/> see below for information on the NUBC).

See CMS forms via the hyperlinked lines below.

I. Form CMS-1450 (UB-92).

<http://www.cms.hhs.gov/providers/edi/1450info.asp>

II. Form CMS-1450 (UB-92) to obtain printing specifications.

<http://www.cms.hhs.gov/providers/edi/printub.asp>

III. For the most recent instructions for Form CMS-1450 (UB-92).

http://www.cms.hhs.gov/providers/edi/3604_803.pdf

Form CMS-1500:

Non-institutional providers and suppliers use CMS-1500 form and instructions to bill Medicare Part B covered services. It is also used for billing some Medicaid covered services. CMS -1500 (Health Insurance Claims Form) answers the needs of many health insurers. It is the basic form prescribed by CMS for the Medicare and Medicaid programs for claims submitted by physicians and suppliers, except for ambulance services. It has also been adopted by CHAMPUS and has the approval of the AMA Council on Medical Services.

I. Form CMS-1500 electronic copy.

<http://www.cms.hhs.gov/providers/edi/cms1500.pdf>

Electronic Data Interchange (EDI) Enrollment Form

An organization comprising of multiple components that have been assigned Medicare provider numbers, supplier numbers, or UPINs may elect to execute a single EDI Enrollment Form on behalf of the organizational components to which these numbers have been assigned. The organization as a whole is to be held responsible for the performance of its components. The CMS Standard EDI Enrollment Form must be completed prior to submitting electronic media claims (EMC) to Medicare. Each provider of health care services, physician, or supplier that

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intends to submit EMC must execute the agreement. Each new EMC biller must sign the form and submit it to their local Medicare carrier or fiscal intermediary. Any existing EMC billers who have not completed the CMS Standard EDI Enrollment Form must complete and sign this form and submit it to their local Medicare carrier or fiscal intermediary also.

Please see CMS Web page's link listed below.

For Medicare Part A EDI Helpline.

<http://www.cms.hhs.gov/providers/edi/anum.asp>

For an Electronic copy of the CMS Standard Data Interchange (EDI) Enrollment Form

<http://www.cms.hhs.gov/providers/edi/ediagree.pdf>

The EDI Enrollment Form & Instructions.

<http://www.cms.hhs.gov/providers/edi/edi5.asp> - Form%20CMS-1500

<http://www.cms.hhs.gov/providers/edi/> - EDI Enrollment Form

3. Explain why the information is being collected.

Response:

Carriers and FIs collect information collected from Medicare beneficiary to process and pay claims to Providers. Information is collected from two CMS forms listed below.

Form CMS –1450

The National Uniform Billing Committee is responsible for the design of the information collected. Brought together by the American Hospital Association (AHA) in 1975 the National Uniform Billing Committee (NUBC) includes the participation of all the major national provider and payer organizations. The NUBC was formed to develop a single billing form and standard data set that could be used nationwide by institutional providers and payers for handling health care claims.

Form CMS –1500:

The CMS-1500 form prescribed by CMS for the Medicare and Medicaid programs for claims submitted by physicians and suppliers. It has also been adopted by CHAMPUS and has the approval of the AMA Council on Medical Services. The CMS-1500 form and instructions are used by non-institutional providers and suppliers to bill Medicare, Part B covered services. It is also used for billing some Medicaid covered services. CMS -1500 (Health Insurance Claims Form) answers the needs of many health insurers.

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http://www.cms.hhs.gov/manuals/14_car/3b4010.asp#_4020_0

4. Identify with whom the agency will share the collected information.

Response

The agency may share the collected information with a variety of Federal, state, local, and tribal government audiences and professional audiences, including the medical community.

- Providers
- Ambulance Services
- Medigap Companies / Supplemental Insurers
- Clinical Labs
- CMS Contractors
- Durable Medical Equipment Suppliers
- Health Plans
- Hospitals
- Home Health Agencies
- Physicians
- Potential Contractors
- Researchers
- Skilled Nursing Facilities
- Suppliers

5. A) Describe how the information will be obtained, from whom it will be collected, B) what the suppliers of information and the subjects will be told about the information collection, and how this message will be conveyed to them (e.g., written notice, electronic notice if a web-based collection, etc.). C) Describe any opportunities for consent provided to individuals regarding what information is collected and how the information will be shared.

Response

5A) In order to process and pay claims Providers, Carriers, and FIs collect information from Medicare beneficiary. Information is collected from two CMS forms 1450 and 1500. All Medicare claims processing contractors (FIs, Regional Home Health intermediaries (RHHIs), carriers, and DMERCs) are called “Satellites” under CWF. Satellites access the Host CWF databases to obtain needed beneficiary information. Satellites submit claims to the CWF Host for prepayment review and approval.

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5B & C) Medicare beneficiaries are provided healthcare services where their personal information is collected and required for payment and reimbursement purposes. Beneficiaries receive HIPAA disclosure information by providers and Medicare directly. A complaint process is in place for individuals to raise their privacy concerns.

<http://www.cmsnet.cms.hhs.gov/hpages/cmm/chgmgt/webguide.pdf>

<http://www.cmsnet.cms.hhs.gov/hpages/cbc/pjht/faq20030703.doc>;

<http://www.hhs.gov/ocr/hipaa>;

6. A) State whether information will be collected from children under age 13 on the Internet and, if so, B) how parental or guardian approval will be obtained. (Reference: Children's Online Privacy Protection Act of 1998)

Response:

6A) The Fee for Services Shared Maintainer Systems do not collect PII information from children under the age of 13 on the internet.

6B) Not application (see A).

7. Describe how the information will be secured.

Response:

The Medicare Claims Processing Systems incorporate a variety of security measures to protect personally identifiable information. The approach used follows a defense in depth strategy. They are physical (e.g. use of access card readers, locked doors, and guards to control, restrict and monitor access) personnel (e.g. annual training of staff on security awareness and roles and responsibilities, infrastructure (e.g. use of firewalls and intrusion detection systems to detect, restrict and monitor access to the systems and data/information) and application (e.g. secondary identification and authentication access controls).

The Fee for Services Shared Maintainer Systems do not collect PII information from children under the age of 13 on the internet.

8. Describe plans for A) retention and B) destruction of data collected.

Response:

8A) Please refer to the hyperlinks below for retention plan information and requirements:

www.cmsnet.cms.hhs.gov/hpages/oics/records/admin2-3.htm

www.cmsnet.cms.hhs.gov/hpages/oics/records/grs21.htm

www.cmsnet.cms.hhs.gov/hpages/oics/records/admin4.htm

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www.cmsnet.cms.hhs.gov/hpages/ois/ssg/hdbk.pdf

8B) Please refer to the hyperlinks below for information and requirements on destruction of data collected:

www.cmsnet.cms.hhs.gov/hpages/oics/records/admin2-3.htm

www.cmsnet.cms.hhs.gov/hpages/oics/records/grs21.htm

www.cmsnet.cms.hhs.gov/hpages/oics/records/admin4.htm

www.cmsnet.cms.hhs.gov/hpages/ois/ssg/hdbk.pdf

9. Identify whether a system of records is being created under section 552a of Title 5, United States Code (the Privacy Act), or identify the existing Privacy Act system of records notice under which the records will be maintained.

Response:

CMS complies with the Minimum Necessary requirements set forth in the Privacy Act of 1974 and Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule. The Privacy Act of 1974 is 5 U.S.C. 552a. The HIPAA Privacy Rule is 45 CFR Parts 160 and 164. System of Records Number: 09-70-0539, 09-70-0526, 09-70-0005, 09-70-0505, 09-70-0537.

Minimum necessary requirements apply to the collection, use, and disclosure of individually identifiable information. Individually identifiable information is information from which the identity of the individual who is the subject of the information can be determined. Individually identifiable information includes health information. Protected Health Information is defined at 45 CFR section 164.501. CMS makes reasonable efforts to limit the collection, use, and disclosure of individually identifiable information to the minimum necessary to accomplish the intended purpose of the collection, use, or disclosure.

Major changes to the system occurred since publication of the SOR is on CMS's web pages:

<http://cms.hhs.gov/privacyact/tblsors.asp>

Endorse

_____/s/_____
J. Ned Burford
CMS Privacy Officer

Date __11/21/2003__

Endorse

_____/s/_____
Timothy P. Love
Chief Information Officer

Date: __11/21/2003__

Approve

_____/s/_____
Thomas A. Scully
CMS Administrator

Date: __11/21/2003__

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